

REGULAR ROSEAU CITY COUNCIL MEETING

MONDAY – November 1, 2021

Regular meeting at 5:00 P.M.

Public Hearing for TIF District #7 5:00 P.M.

In person meeting

121 Center Street East Suite 201

Roseau, MN 56751

The Regular monthly meeting of the Roseau City Council and Public Hearing for TIF District #7 was held on the above date, time, and place. Members present were, Mayor Dan Fabian, Councilmembers: Pat Novacek, Amy Bassingthwaite, Brady Johnson, and Jane Evans. Absent: none. Others present were Community Development Coordinator Todd Peterson, City Superintendent David Drown, Fire Chief Craig McMillin, Liquor Store Manager Niki Johnson, City Attorney Michelle Moren, Clerk-Treasurer Beth Carlson, County Commissioner Jack Swanson, Delbert Hoppe, and Dave and Pam Shaw.

Mayor Dan Fabian called the meeting to order, and the Pledge of Allegiance was said.

At 5:00 PM the Public Hearing for TIF District #7 was held.

Council member Amy Bassingthwaite motioned, seconded by Council member Jane Evans, and it was carried by unanimous vote open the public hearing for TIF District #7, the Shaw Industrial Project.

Community Development Coordinator Todd Peterson informed council that the property to be included in TIF District #7 is Lot 1 Blk 3 in the Roseau Industrial Park, approximately 5.13 acres. The proposed project is anticipated to include the construction of a 10,000 square foot light industrial manufacturing building and provided the following information for the Shaw Industrial Project from Baker Tilly Municipal Advisors, LLC.

CDC Peterson reviewed the Tax Increment Financing Plan provided by Baker Tilly Municipal Advisors, LLC. The total market value of the property is estimated to be \$400,000. The net tax capacity begins at \$7,250 and includes a 3% annual market value inflater. The Annual Gross Tax Increment will begin at 10,845 and will total \$111,476 when complete. Of the \$111,476 the Shaw's will receive a net revenue of \$99,967 with \$401 going in state auditor deductions and \$11,108 in administrative retainage. The Tax Increment Financing Plan for TIF District No. 7 is to be part of the record.

CDC Peterson stated that notices of the public hearing were published and there were no written or oral comments before the public hearing, and there were none during the public hearing.

After discussion, Council member Pat Novacek motioned, Council member Brady Johnson seconded, and it was carried by unanimous vote to close the public hearing.

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Roseau, Roseau County, Minnesota, was duly called and held at the City Center, in said City on November 1, 2021, at 5:00 p.m.

The following members of the Council were present: Mayor Dan Fabian, Council members Pat Novacek, Amy Bassingthwaite, Jane Evans, Brady Johnson

and the following were absent: None

Member Pat Novacek introduced the following resolution and moved its adoption:

RESOLUTION NO. 54-21

RESOLUTION ESTABLISHING TAX INCREMENT FINANCING (ECONOMIC DEVELOPMENT) DISTRICT NO. 7 WITHIN MUNICIPAL DEVELOPMENT DISTRICT NO. 1 AND APPROVING THE TAX INCREMENT FINANCING PLAN THEREFOR; AND AUTHORIZING AN INTERFUND LOAN

A. WHEREAS, it has been proposed that the City of Roseau, Minnesota (the "City") (1) establish Tax Increment Financing (Economic Development) District No. 7 (the "TIF District") within Municipal Development District No. 1 (the "Development District"); (2) approve and adopt the proposed Tax Increment Financing Plan therefor under the provisions of Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the "Act"); and (3) authorize an Interfund Loan (hereinafter defined); and

B. WHEREAS, the City Council has investigated the facts and has caused to be prepared a proposed tax increment financing plan for the TIF District therein (the "TIF Plan"); and

C. WHEREAS, the City has performed all actions required by law to be performed prior to the approval of the establishment of the TIF District and the adoption of the TIF Plan, including, but not limited to, notification of Roseau County and Independent School District No. 682 (Roseau Community Schools) having taxing jurisdiction over the property to be included in the TIF District and the holding of a public hearing upon published and mailed notice as required by law.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Roseau follows:

1. Tax Increment Financing (Economic Development) District No. 7. There is hereby established in the City within the Development District, the TIF District, an economic development tax increment financing district, the initial boundaries of which are fixed and determined as described in the TIF Plan.

2. Tax Increment Financing Plan. The TIF Plan is adopted as the tax increment financing plan for the TIF District, and the City Council makes the following findings:

(a) The TIF District is an economic development district as defined in Minnesota Statutes, Section 469.174, Subd. 12, the specific basis for such determination is set forth in Section J of the TIF Plan.

(b) The proposed development in the opinion of the City Council, would not occur solely through private investment within the reasonably foreseeable future. The reasons for such determination are set forth in Section J(2) of the TIF Plan.

(c) In the opinion of the City Council, the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan. The reasons supporting this finding are set forth in Section J(2) of the TIF Plan.

(d) The TIF Plan for the TIF District conforms to the general plan for development or redevelopment of the City as a whole. The reasons for supporting this finding are set forth in Section J(4) of the TIF Plan.

(e) The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the Development District by private enterprise. The reasons supporting this finding are set forth in Section J(3) of the TIF Plan.

(f) Section J of the TIF Plan is incorporated herein by reference.

3. Public Purpose. The adoption of the TIF Plan for the TIF District within the Development District conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the State which is already built up to provide employment opportunities, to improve the tax base and to improve the general economy of the State and thereby serves a public purpose.

4. Certification. The Auditor of Roseau County is requested to certify the original net tax capacity of the TIF District as described in TIF Plan, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased in accordance with the Act; and the Economic Development Director is authorized and directed to forthwith transmit this request to the County Auditor in such form and content as the Auditor may specify, together with a list of all properties within the TIF District for which building permits have been issued during the 18 months immediately preceding the adoption of this Resolution.

5. Filing. The Economic Development Director is further authorized and directed to file a copy of the TIF Plan for the TIF District with the Commissioner of Revenue and the Office of the State Auditor.

6. Interfund Loan. The City has determined that it may pay for certain costs (the "Qualified Costs") identified in the TIF Plan which costs may be financed on a temporary basis from the City's general fund or any other fund from which such advances may be legally made (the "Fund"). Under Minnesota Statutes, Section 469.178, Subd. 7, the City is authorized to advance or loan money from the Fund in order to finance the Qualified Costs. The City intends to reimburse itself for the payment of the Qualified Costs, plus interest thereon, from tax increments derived from the TIF District in accordance with the following terms (which terms are referred to collectively as the "Interfund Loan"):

(a) The City shall repay to the Fund from which the Qualified Costs are initially paid, the principal amount of \$111,075 (or, if less, the amount actually paid from such fund) together with interest at 4.00% per annum (which is not more than the greater of (i) the rate specified under Minnesota Statutes, Section 270C.40, or (ii) the rate specified under Minnesota Statutes, Section 549.09) from the date of the payment.

(b) Principal and interest on the Interfund Loan ("Payments") shall be paid annually on each December 31 commencing with the date the tax increments from the TIF District are available and not otherwise pledged to and including the earlier of (a) the date the principal and accrued interest of the Interfund Loan is paid in full, or (b) the date of last receipt of tax increment from the TIF District ("Payment Dates") which Payments will be made in the amount and only to the extent of available tax increments. Payments shall be applied first to accrued interest, and then to unpaid principal.

(c) Payments on the Interfund Loan are payable solely from the tax increment generated in the preceding twelve (12) months with respect to the TIF District and remitted to the City by Roseau County, all in accordance with Minnesota Statutes, Sections 469.174 to 469.1794, as amended. Payments on this Interfund Loan are subordinate to any outstanding or future bonds, notes or contracts secured in whole or in part with tax increment, and are on parity with any other outstanding or future interfund loans secured in whole or in part with tax increments.

(d) The principal sum and all accrued interest payable under this Interfund Loan are pre-payable in whole or in part at any time by the City without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Interfund Loan.

(e) The Interfund Loan is evidence of an internal borrowing by the City in accordance with Minnesota Statutes, Section 469.178, Subd. 7, and is a limited obligation payable solely from tax increment pledged to the payment hereof under this resolution. The Interfund Loan and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the City. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on the Interfund Loan or other costs incident hereto except out of tax increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on the Interfund Loan or other costs incident hereto. The City shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the termination of the TIF District.

(f) The City may amend the terms of the Interfund Loan at any time by resolution of the City Council, including a determination to forgive the outstanding principal amount and accrued interest to the extent permissible under law.

The motion for adoption of the foregoing resolution was duly seconded by member Amy Bassingthwaite and, after full discussion thereof, and upon a vote being taken thereof, the

following voted in favor thereof: Mayor Dan Fabian, Council members Pat Novacek, Amy Bassingthwaite, Jane Evans, Brady Johnson.

and the following voted against same: None

Adopted this 1st day of November, 2021.

Mayor

Attest: _____
City Clerk-Treasurer

Council member Pat Novacek motioned, Council member Jane Evans seconded, and it was carried by unanimous vote to approve the October 4, 2021, regular meeting minutes as written.

Council member Amy Bassingthwaite motioned, Council member Brady Johnson seconded, and it was carried by unanimous vote to approve the October 13, 2021, Special meeting minutes as written.

Council member Jane Evans motioned, Council member Pat Novacek seconded, and it was carried by unanimous vote to approve the October 14, 2021, Special meeting minutes with a date correction on page 2 from November 2nd to the 1st.

Council member Jane Evans motioned, Council member Brady Johnson seconded, and it was carried by unanimous vote to approve the following Consent Agenda as written.

1. Presentation of Accounts Payable claims October 1, 2021 through October 31, 2021 Batch AP103121.
CK# 71122-71154 = \$54,759.56
2. Presentation of daily checks October 1, 2021, through October 31, 2021
CK# 70968-71121 = \$737,707.41
E# 2609-2649 = \$366,938.13
PR 10/15/21 = \$42,321.77
PR 10/31/21 = \$39,787.71
PR 10/31/21 = \$1,938.11 Pay out
Void checks #66753, 67490, 67638, 67945, 69021 & 71083
3. Presentation of Receipt entries September 1, 2021, through September 30, 2021.
4. Presentation of Journal entries JE083121.
5. Audit Committee review of August 2021 General Ledger checks written compared with images on the bank statement.
6. Notices and Communications –
Upcoming scheduled meetings:
 - a. December 6, 2021, Regular council meeting at 5:00 p.m.

- b. 2021 Truth & Taxation Public Hearing Date (December 6, 2021, at 6:00 pm at the Regular Council meeting)
7. Approve the use of alcohol in the Community Center- none
 8. Investment–Roseau EDA Hi Fi as of 10/22/2021 is \$97,432.85.
 9. Cash in bank-Regular checking as of 10/22/2021 is \$1,719,159.28.
 10. Investment-Regular Hi Fi as of 10/22/2021 is \$1,564,455.07.
 11. Investment Certificate of Deposit as of 10/22/2021 is \$825,756.27
 12. Investment Certificate of Deposit as of 10/22/2021 is \$819,388.88.
 13. Investment Certificate of Deposit as of 10/22/2021 is \$821,103.93.
 14. Investment Certificate of Deposit as of 10/22/2021 is \$812,763.65.
 15. Investment-Roseau EDA Money Market as of 10/22/2021 is \$63,558.32.
 16. Cash in bank-Roseau EDA as of 10/22/2021 is \$25.29.
 17. BradyMartz Audit – February 14-16, 2022
 18. “2021 Christmas Lighting Contest” (The same categories as 2020 with prizes awarded in Roseau Dough)
 19. Approve 2022 (December 1, 2021 – November 30, 2022) Liquor Licenses contingent upon all paperwork is obtained by the Clerk’s Office.
 - American Legion Club + Sunday
 - Brickhouse Bar & Grill + Sunday
 - Gene’s Bar & Grill
 - North Country Inn & Suites
 - Oakcrest Golf Club + Sunday
 - Roseau Motel & Diner
 - Sparetime Bowl (Legends) + Sunday
 - The Pour House Bar & Grill + Sunday
 20. Approve 2022 (January 1, 2022 – December 31, 2022) 3.2 Beer Licenses contingent upon all paperwork is obtained by the Clerk’s Office.
 - Holiday Stationstore – Off sale
 - Super One Foods (Miner’s) – Off sale

21. R 50-21 RESOLUTION

WHERE AS, in accordance with the Minnesota Statutes § 345.31-345.60 (Minnesota Uniform Disposition of Unclaimed Property Act) requirement that cities must remit unclaimed property to the State of Minnesota.

NOW, THEREFORE, BE IT RESOLVED, that Roseau City Clerk-Treasurer Elizabeth Carlson be and is hereby authorized to remit four (4) unclaimed warrants to the State of Minnesota Department of Commerce Unclaimed Property Division totaling \$158.11.

<u>Ck. No</u>	<u>Date</u>	<u>Amount</u>	<u>Payee</u>
#66753	08/09/2019	\$ 56.73	Zachary Corbin
#67490	12/10/2019	\$ 93.05	Wayne Kees
#67638	01/10/2020	\$ 4.21	Jennifer Fuller
#67945	03/04/2020	\$ 4.12	Tatum Peters

Approved this 1st day of November 2021

Dan Fabian, Mayor

ATTEST:

Elizabeth Carlson, City Clerk-Treasurer

22.

RESOLUTION NO. 51-21
RESOLUTION ACCEPTING DONATION

WHEREAS, the following have presented to the City of Roseau, donations, and have designated that these donations be deposited in the City of Roseau Nights of Lights Project.

Border Bank \$2,500.00

Polaris Industries \$5,000.00

WHEREAS, the City Council is appreciative of the donations and commends them for their civic efforts,

NOW, THEREFORE BE IT RESOLVED, BY THE City Council of the City of Roseau, Minnesota;

1. That the donations are accepted and acknowledged with gratitude, and
2. That the donations will be allocated to the Nights of Lights Project.

Adopted by the City Council of the City of Roseau, Minnesota this 1st day of November, 2021.

By: _____
Mayor

Attest: _____
Clerk/Treasurer

23.

RESOLUTION NO. 52-21
RESOLUTION ACCEPTING DONATION

WHEREAS, the following have presented to the City of Roseau, donations, and have designated that these donations be deposited in the City of Roseau Nights of Lights Project.

LifeCare Medical Center \$20,000.00

WHEREAS, the City Council is appreciative of the donations and commends them for their civic efforts,

NOW, THEREFORE BE IT RESOLVED, BY THE City Council of the City of Roseau, Minnesota;

1. That the donations are accepted and acknowledged with gratitude, and

2. That the donations will be allocated to the Nights of Lights Project.

Adopted by the City Council of the City of Roseau, Minnesota this 1st day of November 2021.

By: _____
Mayor

Attest: _____
Clerk/Treasurer

24. LG220 Exempt Permit – Roseau Youth Hockey Raffle – **01/29/2022**
25. MN Dept of Revenue – Roseau County 0.5% Transit Sales and Use Tax
26. September 2021 City Revenues & Expenditures
27. 2020 Census Population and Household Counts

Delegations/Petitions/Complaints

Mr. Delbert Hoppe informed council that there were times last winter that his driveway on 7th Avenue NE was plowed in by the city plow so that he was not able to get out. City Superintendent Drown stated that it would be taken care of.

Committee Reports

Planning Commission –

CDC Peterson informed council that the Planning Commission met Monday, October 25, 2021, at 12pm. The following items were discussed

- A rezoning request #8-21 (Citizens State Bank) Citizens State Bank acquired this property through a foreclosure. The bank would like to develop this property for commercial activity, but the site is zoned C-2 outlying commercial which requires a large setback and limits the development to under 3 stories. The rezoning request is to rezone the parcel to C-1 central commercial which allows for more dense and taller development. The existing development does not currently meet the existing C-2 setbacks and the change to C-1 would be consistent with properties to the east and south of the parcels. The Planning Commission recommends to council to set a public hearing for zoning request #8-21 (Citizens State Bank) for November 29, 2021, at 12:05 pm. It was also discussed that an adjacent parcel (Lots 13-19, Block 1 of Johnson’s Addition) that is going through foreclosure action should also be included in the rezoning action. (These are the lots where the Evergreen Motel used to be.)

After discussion, Council member Pat Novacek motioned, Council member Jane Evans seconded, and it was carried by unanimous vote to set public hearing for zoning request #8-21 (Citizens State Bank) for November 29, 2021, at 12:05 pm.

After further discussion, Council member Pat Novacek motioned, Council member Amy Bassingthwaite seconded, and it was carried by unanimous vote to include in the rezoning action, an adjacent parcel (Lots 13-19, Block 1 of Johnson’s Addition) that is going through foreclosure.

- CDC Peterson and City Attorney Moren presented to council a draft of the “Proposed Communal Housing and Short-term Housing Regulations”. The Planning Commission is reviewing it and will provide comment at future meetings. CDC Peterson asked council to do the same. The current City zoning code does not allow for all of the existing communal and short-term housing that is going on in Roseau and that it may be better to have some type of guidance if it is in the best interest of the city to allow it to continue.

Roseau County Commissioner

County Commissioner Jack Swanson mentioned that rooming houses were common in this area in the early 20th century, housing railroad workers. The housing demand is similar now for contractors, construction workers and factory workers.

Commissioner Swanson is going to a Legislative Commission meeting on housing affordability November 2nd to represent the County. Commissioner Swanson will be presenting issues facing Roseau, Warroad, Thief River Falls and surrounding areas, and asked for council input.

Council discussed issues like:

- The tax credits for housing does not allow for work force housing, and this area does not need as many low-income housing units. It needs housing for the middle income. The Workforce Housing Authority should address this.
- The Work Force Grant Program needs more funding from the Legislature and Minnesota Housing.
- Infrastructure to support housing development also needs funding
- Large cities have a larger percentage of high-income earners who can afford newly constructed housing. This new housing eventually gets sold to the middle-income earners as the housing stock ages. However, there are not enough high-income earners in smaller rural communities demanding new housing, particularly rental housing, in small rural areas to eventually pass down to the middle-income earners that we have an abundance of in our community. What works for the Metro areas does not work here and in other smaller communities. The law of supply and demand does not apply here.

Operations Committee

Council member Pat Novacek informed council that the operations committee met with the Park & Rec Director and the City Superintendent to go over the requirements and responsibilities of each department.

Oakcrest Golf Course

Council member Brady Johnson informed council that there was no new business to report as the golf course is closed.

Airport Committee

CDC Peterson informed council that the airport committee met to discuss a proposed language change to the T-Hangar lease agreement. CDC Peterson stated that in the City T-Hangars there are a couple of project planes that are not air worthy and planes that are based somewhere else. FAA funding is based on the number of airworthy based planes at the Roseau Municipal airport. If that number drops below 10 the City of Roseau will not receive FAA entitlement money.

CDC Peterson presented to council the following proposed language change in our t-hangar lease agreements to give priority to airworthy based planes over other lease uses.

T-Hangar Lease Agreement – Proposed Language Change

Item 2. Use of Leased Premises

T-hangar units shall be used only for the storage of active and operational aircraft based at the Roseau Municipal Airport. Active and operational aircraft shall be defined to mean all aircraft currently licensed and flyable which are flown to and from the Roseau Municipal Airport periodically during the year.

Incidental storage of other personal property shall be permitted as a secondary use only, and not to exceed 20% of the hangar space, and provided that Tenant continues to store an aircraft within the facility. The hangar may not be used for general storage if no licensed or certified aircraft is stored therein. The on-going storage of automobiles, RV's, ATVs, boats, motorcycles, snowmobiles or any other item not directly pertaining to the use of an aircraft is prohibited. A Tenant is permitted to park Tenant's motor vehicle within the hangar at times that the Tenant is using the aircraft.

T-hangar units may be used for building or restoring an aircraft, or for storage of transient or non-based aircraft, but not without the expressed written consent from the Airport Manager. Any leasehold use of the t-hangar for non-active aircraft or non-based aircraft may be terminated, by the City, with 15-days prior notice of the City receiving an application for t-hangar space for an active and operational aircraft.

After discussion, Council member Jane Evans motioned, Council member Amy Bassingthwaite seconded, and it was carried by unanimous vote to approve the proposed language change to Item 2 of the T-Hangar Lease agreement beginning January 1, 2022.

EDA

CDC Peterson informed council the EDA met on October 27, 2021.

CDC Peterson presented to council the 2021 Legislative Session: Final Outcomes on CGMC Priorities provided by Marty Seifert from the Coalition of Greater Minnesota Cities that was discussed at the EDA meeting. Among the topics discussed were Local Government Aid, Public Facilities Authority, Childcare and Workforce Housing.

There was discussion on the low balance of EDA Business loan funds. CDC Peterson stated that more people have applied for the business loans recently. There were three loans awarded that totaled approximately \$200,000. That is more than any one year in over 20 years. Until some of the loans are paid back the EDA does not currently have money to offer more business loans. It may take a couple of months for the EDA to be in the position to offer business loans again.

After discussion, Pat Novacek motioned, Council member Amy Bassingthwaite seconded, and it was carried by unanimous vote to adopt the following resolution:

R #55-21

RESOLUTION AUTHORIZING EXTENSION OF

A LINE OF CREDIT TO THE ROSEAU ECONOMIC DEVELOPMENT AUTHORITY

WHEREAS, the Roseau Economic Development Authority (EDA) provides business loans to small businesses in the City of Roseau and surrounding areas;

WHEREAS, due to increased demand for said loans, the EDA’s funds are limited and the EDA has sought financial assistance from the City of Roseau;

WHEREAS, the City is authorized to provide funding to the EDA;

THEREFORE BE IT RESOLVED, that the Roseau City Council hereby extends a line of credit to the EDA up to \$150,000.00 for a period of 2 years commencing January 1, 2022 through December 31, 2023. Said line of credit shall be available for EDA business assistance loans. The EDA will have no obligation to pay interest to the City for any monies utilized from said line of credit.

The motion for the adoption of the foregoing resolution was made by council member Novacek, seconded by council member Bassingthwaite, and upon vote being taken, the following voted in favor thereof:

Novacek, Bassingthwaite, Evans, Johnson, and Fabian.

And the following voted against the same:

None

Dated this 1st day of November, 2021.

Elizabeth Carlson, Clerk-Treasurer

Dan Fabian, Mayor

Department Reports

Liquor Store

Liquor Store Manager Niki Johnson provided to council the October monthly sales report and pictures of the organized back room that makes product easier to see and get to. Manager Johnson noted that gross profits were down by 4% due in part to the discounting of older products to move them out. Manager Johnson stated that the gross profit is similar to 2019.

Fire Department

Fire Chief Craig McMillin informed council that the fire department will start budgeting for a new tanker truck. The current tanker truck is 22 years old.

City Attorney Moren stated that the fire contracts with the townships are to be renewed and will review them with Chief McMillin.

Police Department

Police Chief Ward Anderson was at a Chief’s Conference.

Superintendent

City Superintendent David Drown informed council that the city crew has been working on putting electric in, blowing water lines out, and getting equipment ready for winter. The water tower repair is completed inside and out. Superintendent Drown is working on getting an easement to get natural gas into the industrial park and will look at the washed-out shoulder on the road on the south side of Polaris’s parking lot.

There was discussion about Spruce Valley dewatering the gravel pits and what that would do the aquifer and the wells near it, and how the ditches would handle approximately million gallons a day going through them. CDC Peterson provided comment to the MPCA that the City is concerned about private wells in the area if they are affected by this dewatering project as many homeowners were concerned about wells when the diversion was put in and the city agreed to replace any failing wells. There is also concern on any affect this may have on the City’s wells and the aquafer.

Superintendent Drown stated that Minnesota Rural Water and Well Head Protection should be testing and documenting as part of the permit process.

Parks and Rec Director

Parks and Rec Director Keith Severson absent.

City Superintendent Drown informed council that he will be contacting Northwest Roofing again as the arena roof has not been repaired, but it should only take a day once they begin.

City Attorney

- City Attorney Michelle Moren presented to council the following Petition for Annexation from Neal D. Vatnsdal and Erica L. Vatnsdal.

PETITION FOR ANNEXATION

IN THE MATTER OF THE PETITION OF NEAL D. VATNSDAL AND ERICA L. VATNSDAL, HUSBAND AND WIFE, FOR ANNEXATION TO THE CITY OF ROSEAU, MINNESOTA, PURSUANT TO MINNESOTA STATUTES, SECTION 414.033, ENTITLED “ANNEXATION BY ORDINANCE” SUBDIVISION 2 (3).

**TO THE CITY COUNCIL OF THE CITY OF ROSEAU,
MINNESOTA:**

We, the undersigned, being all of the owners (sole owners) of the following described parcel of real estate located in Spruce Township (Twp. 162 North, Range 39 West), Roseau County, Minnesota, hereby petition the City Council to annex to the City of Roseau, Minnesota, **by ordinance**, the following unincorporated lands or properties which abut (or will abut) the corporate limits of the City of Roseau, and which;

- (a) Are urban or suburban in character or about to become so;
- (b) Contains 2.42 acres \pm (being less than 120 acres);
- (c) Are not presently served by public water, public wastewater facilities, and public water and public wastewater facilities are not otherwise available;
- (d) Abuts (or will abut) the corporate limits of the City of Roseau;
- (e) Contains no existing conditions under Minnesota Statute § 414.033 Subd. 2 (3) as amended in 2008, which would prohibit the annexation of the following described land by ordinance.

FURTHER, the undersigned request the City of Roseau to hold a public hearing pursuant to Minnesota Statute § 414.033 Subd. 2b with respect to the requested annexation and that thirty (30) days written notice be given by certified U.S. Mail to the town or towns affected by the proposed ordinance (Spruce

Township, Roseau County, Minnesota) and to all landowners within and/or contiguous to the area to be annexed;

FURTHER, that the annexation Ordinance, if passed by the City of Roseau, in conjunction with Minnesota Statute § 414.033 Subd. 7 be filed with the Director of the Office of Administrative Hearings – Municipal Boundary Adjustments (hereinafter “Director”), and on Spruce Township, the Roseau County Auditor, and the Secretary of State of the State of Minnesota; and upon approval by the Director, a copy of the annexation ordinance be delivered immediately by the City Council of the City of Roseau, Minnesota, to the Roseau County Auditor;

FURTHER, that upon the completed annexation of the following described lands the City of Roseau comply with Minnesota Statute § 414.033 Subd. 11 entitled “When Annexed Land is in Floodplain or Shoreland Area”;

FURTHER, that the City Superintendent of the City of Roseau has advised that the electric service provider currently serving the following described land, to-wit: the Roseau Electric Cooperative, Inc., will continue to provide electrical services to said lands and therefore there will be no need for an estimate of the cost impact of any change in electrical utility service.

LAND WHICH IS THE SUBJECT OF THIS PETITION:

That part of Government Lot Two (2), of Section Nineteen (19), in Township One Hundred Sixty-two (162) North, Range Thirty-nine (39) West of the Fifth Principal Meridian in Minnesota described as follows, to-wit: Commencing at the point of intersection of the West

Line of said Lot Two (2) and the South Right-of-Way Line of the Burlington Northern Railway; thence South along the West Line of said Lot Two (2), a distance of Two Hundred Ninety-two and one-tenth (292.1) feet; thence Northeasterly on a bearing of North 87° 10' 30" East, a distance of Three Hundred Sixty-five (365) feet to the point of beginning of the tract of land herein intended to be described; thence continue Northeasterly on said bearing a distance of Three Hundred Forty (340) feet; thence North, parallel to the West line of said Lot Two (2), to the South Right-of- Way Line of the Burlington Railway; thence Southwesterly on and along said Right-of-way Line a distance of Three Hundred Forty and four-tenths (340.4) feet, more or less, to a point on said Right-of-way Line which is directly North of the point of beginning; thence South, parallel to the West Line of said Lot Two (2), a distance of Three Hundred Ten and one-tenth (310.1) feet to the point of beginning, and there terminating.

AND ALSO:

An appurtenant non-exclusive easement for ingress, egress, access and utilities over, under and across the following described land:

Through that part of Lot 2, Sect. 19, in Twp. 162 N., Range 39 W., described as follows:

Commencing at the point of intersection of the West line of said Lot 2 and south right-of-way line of Burlington Northern Railway; thence southerly along the west line of said Lot 2 a distance of 257.1 ft.; thence northeasterly on a bearing of N 87° 10' 30" E. a distance of 705 ft; thence southerly and parallel to the west line of said Lot 2 a distance of 70 ft; thence southwesterly to a point on the west line of said Lot 2, said point being 70 ft. south of the point of beginning; thence north on and along the west line of said Lot 2 a distance of 70 ft. to the point of beginning, subject to special assessments, ditch liens, restrictions, reservations and easements of record, if any.

Therefore, the description of the real estate to be annexed to the City of Roseau, Minnesota, is as follows:

That part of Government Lot Two (2), of Section Nineteen (19), in Township One Hundred Sixty-two (162) North, Range Thirty-nine (39) West of the Fifth Principal Meridian in Minnesota described as follows, to-wit: Commencing at the point of intersection of the West Line of said Lot Two (2) and the South Right-of-Way Line of the Burlington Northern Railway; thence South along the West Line of said Lot Two (2), a distance of Two Hundred Ninety-two and one-tenth (292.1) feet; thence Northeasterly on a bearing of North 87° 10' 30" East, a distance of Three Hundred Sixty-five (365) feet to the point of beginning of the tract of land herein intended to be described; thence continue Northeasterly on said bearing a distance of Three Hundred Forty (340) feet; thence North, parallel to the West line of said Lot Two (2), to the South Right-of- Way Line of the Burlington Railway; thence Southwesterly on and along said Right-of-way Line a distance of Three Hundred Forty and four-tenths (340.4) feet, more or less, to a point on said Right-of-way Line which is directly North of the point of beginning; thence South, parallel to the West Line of said Lot Two (2), a distance of Three Hundred Ten and one-tenth (310.1) feet to the point of beginning, and there terminating.

AND ALSO:

An appurtenant non-exclusive easement for ingress, egress, access and utilities over, under and across the following described land:

Through that part of Lot 2, Sect. 19, in Twp. 162 N., Range 39 W., described as follows:

Commencing at the point of intersection of the West line of said Lot 2 and south right-of-way line of Burlington Northern Railway; thence southerly along the west line of said Lot 2 a distance of 257.1 ft.; thence northeasterly on a bearing of N 87° 10' 30" E. a distance of 705 ft; thence southerly and parallel to the west line of said Lot 2 a distance of 70 ft; thence southwesterly to a point on the west line of said Lot 2, said point being 70 ft. south of the point of beginning; thence north on and along the west line of said Lot 2 a distance of 70 ft. to the point of beginning, subject to special assessments, ditch liens, restrictions, reservations and easements of record, if any.

With a total of 2.42 acres, more or less.

RESPECTFULLY SUBMITTED BY THE OWNERS OF THE ABOVE
DESCRIBED REAL ESTATE WHO ARE SIGNATORIES TO THIS PETITION.

Dated this ____ day of October, 2021.

Neal D. Vatnsdal

Erica L. Vatnsdal

After discussion, Council member Pat Novacek motioned, Council member Amy Bassingthwaite seconded, and it was carried by unanimous vote to set a public hearing on the Vatnsdal Annexation for December 6, 2021, at 5:15 PM

Moren Law office will send out notices and publish the notice in the Roseau Paper.

- City Attorney Michelle Moren presented to council a Request for Hearing by Robert Volker, the owner of a potentially dangerous dog. City Attorney Moren informed council that the hearing would have to be within the next 3 weeks. Moren also advised the council that it was likely that there was a companion case and there would likely be a request for hearing filed in that matter.

After discussion, Council member Amy Bassingthwaite motioned, Council member Pat Novacek seconded, and it was carried by unanimous vote to call a Special meeting and set a hearing concerning Mr. Robert Volker's dangerous dog for Monday November 15, 2021, at 5:00 pm. If the companion case also requested a hearing, said hearing would be held at the same time and place.

- City Attorney Michelle Moren informed council that Brian and Wendy McMillin have purchased a lot in Oak Crest Estates First Addition and presented the Purchase Agreement and following Resolution.

RESOLUTION 53-21

**EXTRACT OF CITY COUNCIL MINUTES OF THE REGULAR MEETING OF
THE CITY COUNCIL OF THE CITY OF ROSEAU HELD ON MONDAY,
NOVEMBER 1, 2021 AT 5:00PM**

Councilperson Amy Bassingthwaite made a motion to adopt the following resolution:

WHEREAS, the City of Roseau, is the owner of the following described real estate; and

WHEREAS, the following described real estate consists of a bare lot only, and;

WHEREAS, Brian McMillin and Wendy McMillin, husband and wife, have indicated their desire to purchase the following described real estate; and

WHEREAS, it is deemed to be in the best interest of the City of Roseau that said real estate be sold to Brian McMillin and Wendy McMillin, husband and wife, for the sum of Thirty-one Thousand and no/100 (\$31,000.00) Dollars. Said real estate is described as follows:

Legal Description:

Lots Seven (7) and Eight (8), Block Two (2), of Oak Crest Estates First Addition, according to the recorded Plat thereof on file and of record in the office of the County Recorder in and for Roseau County, Minnesota. Subject to easements, reservations and restrictions of record.

NOW THEREFORE BE IT RESOLVED, that the City of Roseau, accepts the offer of Brian McMillin and Wendy McMillin, husband and wife, to purchase the above described real estate for said sum of Thirty-one Thousand and no/100 (\$31,000.00) Dollars, and that the Mayor and the City Clerk/Treasurer of the City of Roseau, are hereby authorized and directed to execute a deed of conveyance running from the City of Roseau, a municipal corporation, under the laws of the State of Minnesota, as Grantor, to Brian McMillin and Wendy McMillin, husband and wife, Grantees, as joint tenants, conveying the above described real estate, and;

The motion for adoption of the foregoing Resolution was duly seconded by Member Jane Evans and upon roll call vote being taken thereon, the following voted in favor thereof: Mayor Dan Fabian, Council member Pat Novacek, Amy Bassingthwaite, Jane Evans, Brady Johnson.

And the following voted against the same: NONE
And the following abstained: NONE
And the following were absent: NONE

Whereupon said motion was declared duly passed and adopted.

Dan Fabian, Mayor

ATTEST:

Elizabeth Carlson, City Clerk-Treasurer

I hereby certify that the foregoing resolution is a true and correct copy of the original resolution adopted by the City Council of the City of Roseau on November 1, 2021.

Elizabeth Carlson, City Clerk/Treasurer, City of
Roseau Minnesota

- City Attorney Michelle Moren then presented to council the following resolution for the sale of Outlet Lot B in the Industrial Park by Byfuglien Trucking, Inc.

**EXTRACT OF CITY COUNCIL MINUTES OF THE REGULAR MEETING OF
THE CITY COUNCIL OF THE CITY OF ROSEAU HELD ON MONDAY,
November 1, 2021 AT 5:00PM**

Councilperson Patrick Novacek made a motion to adopt the following resolution:

WHEREAS, the City of Roseau, is the owner of the following described real estate; and

WHEREAS, the following described real estate consists of a bare lots only, and;

WHEREAS, Byfuglien Trucking, Inc., has indicated its desire to purchase the following described real estate; and

WHEREAS, it is deemed to be in the best interest of the City of Roseau that said real estate be sold to Byfuglien Trucking, Inc., for the sum of Forty-three Thousand and no/100 (\$43,000.00) Dollars. Said real estate is described as follows:

Legal Description:

Outlot B, located in Roseau Industrial Park, according to the recorded Plat thereof on file and of record in the office of the County Recorder in and for Roseau County, Minnesota. Subject to easements, reservations and restrictions of record.

NOW THEREFORE BE IT RESOLVED, that the City of Roseau, accepts the offer of Byfuglien Trucking, Inc., to purchase the above described real estate for said sum of Forty-three Thousand and no/100 (\$43,000.00) Dollars and that the Mayor and the City Clerk/Treasurer of the City of Roseau, are hereby authorized and directed to execute a deed of conveyance running from the City of Roseau, a municipal corporation, under the laws of the State of Minnesota, as Grantor, to Byfuglien Trucking, Inc., a corporation under the laws of the State of Minnesota, as Grantee, conveying the above described real estate, and;

The motion for adoption of the foregoing Resolution was duly seconded by Member Brady Johnson and upon roll call vote being taken thereon, the following voted in favor thereof: Mayor Dan Fabian, Council members Pat Novacek, Amy Bassingthwaite, Jane Evans, Brady Johnson.

And the following voted against the same: NONE

And the following abstained: NONE

And the following were absent: NONE

Whereupon said motion was declared duly passed and adopted.

Dan Fabian, Mayor

ATTEST:

Elizabeth Carlson, City Clerk-Treasurer

I hereby certify that the foregoing resolution is a true and correct copy of the original resolution adopted by the City Council of the City of Roseau on November 1, 2021.

Elizabeth Carlson, City Clerk/Treasurer, City of
Roseau Minnesota

- City Attorney Moren then informed council, Matt Anderson sold his hangar at the Roseau Municipal Airport to Jerry Lee and would like to terminate his 20-year lease agreement which started May 22, 2020.

After discussion, Council member Amy Bassingthwaite motioned, Council member Pat Novacek seconded, and it was carried by unanimous vote to terminate the 20-year airport hangar lease agreement with Matt Anderson.

- City Attorney Moren then stated that a new airport hangar lease agreement would be needed for Jerry Lee.

After discussion, Council member Jane Evans motioned, Council member Brady Johnson seconded, and it was carried by unanimous vote to enter into a new 20-year airport hangar lease agreement with Jerry Lee.

- City Attorney Moren informed council the Richard Larsen had been in this week and they had worked with City Superintendent David Drown to confirm the easements to be reserved by Larsen. The DEED of Conveyance would be signed forthwith.

Community Development Coordinator

CDC Todd Peterson had no new business.

Mayor Council

- Mayor Dan Fabian stated that 2022 will be 20 years since the flood and asked if there is interest in celebrating the recovery. Council will discuss this further.

- **Minnesota Energy-Natural gas franchise renewal**

City Attorney Moren informed council the contract with Minnesota Energy for gas franchise fees expires January 1, 2022. City Attorney Moren reviewed the contract that Paul O’Sullivan from Minnesota Energy sent and has made revisions. Mr. O’Sullivan and Minnesota Energy are reviewing the revised contract. City Attorney Moren expects to have Minnesota Energy’s response from Mr. O’Sullivan before the November 15, 2021, Special meeting and requested that the review of that contract be put on the meeting agenda.

- **City of Roseau 2022 Preliminary Budget**

CDC Peterson presented to council a proposal from North Risk Partners on the city employees’ health insurance plan premiums. The proposal compared the current Medica Choice plan premiums to renewing of the same plan (6.5% increase) along with four other health insurance plan premiums. CDC Peterson will be meeting with Mike Reishus of North Risk Partners tomorrow and will have more information, currently renewing may be the best option.

Council discussed other budget items including an increase in some of the utility rates and whether they should they be self-sustaining and able to transfer into the general fund or not, future repairs and replacement of capital assets, city reserves, and where possible cuts may be made, or a combination of the three, raising rates, using reserves, and cutting expenses. Mayor Fabian asked if an historic chart could be made to show historical data from the last 10 years, and to show a trend using the same data.

Council asked that budget discussion be put on the November 15, 2021, Special meeting agenda.

There being no further business Councilmember Jane Evans motioned to adjourn the meeting, seconded by Councilmember Brady Johnson and approved by unanimous vote.

ATTEST:

Elizabeth Carlson Clerk-Treasurer

Mayor Dan Fabian